



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Renewal of Workers Compensation Claim Administration Service Agreement

MEETING DATE: October 20, 1993

PREPARED BY: Assistant City Manager

RECOMMENDED ACTION: That City Council review the attached service agreement, Amendment #1 and authorize its acceptance.

BACKGROUND INFORMATION: The City of Lodi considers the renewal of its service agreement with its workers compensation third party administrator on an annual basis, every November 1st.

Council approved a fee of \$4,916.25 per month for November, 1992 through October, 1993. City staff negotiated a zero percent increase with Associated Claims Management Inc., maintaining a fee of \$4,916.25 per month for the upcoming 93-94 agreement.

The only increase included in this renewal is a \$410 per claim fee (up from \$400) for claims totaling more than 125 during the agreement year. Given our successful history of reducing claims, it is unlikely that more than 125 claims will be received.

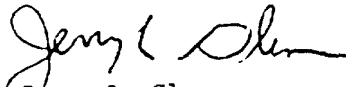
City claims received during the following agreement years total:

11/1/90 - 10/31/91	128
11/1/91 - 10/31/92	102
11/1/92 - 10/01/93	90

The City has been participating in a managed care/medical cost containment program. Net savings for the City from 11/26/92 through 7/30/93 total \$16,353 or an average of \$2,044 per month. Extrapolated over one year, net savings should total \$24,529.

FUNDING: Operating budget.

Respectfully Submitted,


Jerry L. Glenn
Assistant City Manager

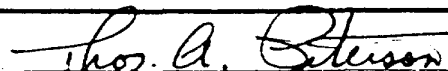
JLG:KJE:tp

Prepared by Kirk J. Evans

Administrative Assistant to the City Manager

CCCOM001/TXTA.TLP/WKRSCOMP

APPROVED



THOMAS A. PETERSON
City Manager



recycled paper



OCT 07 '93

October 4, 1993

City Manager's Office

Mr. Kirk Evans
Asst. to the City Manager
City of Lodi - City Hall
221 West Pine Street
P.O. Box 3006
Lodi, CA 95241-1910

Re: Workers' Compensation Service Agreement Renewal - 11/1/93

Dear Kirk:

Enclosed please find two original Service Agreement Renewal Amendments in accordance with our telephone conversation last week. Please have both amendment copies signed; return one to me and retain the other for your records.

Please feel free to call me if any questions or concerns should arise with regard to your program. Thank you.

Very truly yours,

ASSOCIATED CLAIMS MANAGEMENT, INC.

Roberta Penarelli
Executive Vice President

RP:cll

Enclosures

AMENDMENT #1

Workers' Compensation Self-Insurance Service Agreement
between
CITY OF LODI
and
ASSOCIATED CLAIMS MANAGEMENT, INC. OF CALIFORNIA

It is mutually agreed by the parties that Section 2. (Consideration) of the Service Agreement effective November 1, 1992 be amended as follows:

2. Consideration

- a. Associated's monthly service fee for the period November 1, 1993 through October 31, 1994 shall be \$4,916.25 per month for up to 125 new claim submissions; over 125 claims at \$410 per claim. No additional fee will become due for on-going open claims.

All other terms and conditions of the Agreement remain unchanged.

Accepted By:

City of Lodi

By: _____

Authorized Signature

Name (Type or Print)

Title

221 W. Pine Street
Street

Lodi, CA 95240
City, State, Zip

Date

Accepted By:

Associated Claims Management, Inc.
of California

By: _____

Authorized Signature

Roberta Penarelli
Name (Type or Print)

Executive Vice President
Title

390 North Wiget Lane
Street

Walnut Creek, CA 94598
City, State, Zip

October 4, 1993
Date

